

\*WEE\*ON THE DRY SIDE 242 TESTING THE HEROES: LIBERALISM  
UNDER FIRE John Hyde

'On the whole a liberal is one who prefers individual action to collective action': William Letwin. Over last weekend the Centre for Independent Studies ran a seminar on liberalism. The speakers were all internationally well known. Five of them, Dr Shirley Letwin, Professor William Letwin, Professor Alan Ryan, Professor Donald Winch and Professor Ken Minogue, were brought to Australia for the occasion.

In turn, the speakers drew upon 300 years of experience and hindsight to scrutinise and criticise the liberal credentials of John Locke, Adam Smith and John Stuart Mill. It was pretty esoteric stuff and I am certainly not sufficiently well-read to question the overwhelming consensus of the speakers that these fathers of modern liberalism were not very liberal after all. They were creatures of their times and circumstances and were, in fact, at times, elitist, socialist and conservative rather than liberal.

When somebody quipped, 'Let's hold another seminar and carve up Hobbes, Hume and Hayek. Then we'll have no heroes.', he raised a wry laugh. On reflection, I do not find it odd that great scholars of our generation should find inconsistencies in philosophies propounded by earlier generations. I do admit, however, that I was just a little relieved when Professor Ken Minogue suggested at the end of the day that earlier speakers might have gone slightly overboard in their search for illiberal tendencies. I think I can still quote Locke, Smith and Mill in the liberal cause without strong pangs of guilt.

It is surely remarkable that the speakers at the conference, whom collectivists, and others without a philosophy but with a vested interest to protect, revile as 'new right' and accuse of slavish adherence to blind faith, should have so small a commitment to received wisdom. If we are hero-worshippers, then our heroes, though respected, receive little deference. Liberal writ is to be evaluated in the light of today's ideas. Liberalism has moved on. It is a developing body of thought, confident of its relevance to modern circumstances and problems. For Liberalism, 'heresy' is not an appropriate concept. I think Locke, Smith and Mill would have approved.

I do not believe that similar papers would have evoked the same response ten, or even five, years ago, before liberalism's resurgence, when every fight was fought from the bunker, when we felt isolated, when we needed reassurance. I am told that Marx was not a Marxist, and Keynes was certainly not a Keynesian, but I cannot envisage a conference today that criticised Marx and Engels in the terms of modern communism or another that took Rousseau, Proudhon and Keynes to pieces by the standards of modern socialism, which did not raise a storm of protest from the respective faithful. These ideologies are different from liberalism in that they incorporate the belief that they have found 'the way'; their following is quasi-religious; whereas it is impossible for a liberal to hold to a single, pure faith. Even more important for the effect that

philosophies will have on the world of the immediate future, socialism and communism are now on the defensive, rather than the offensive, and have become stagnant.

Liberalism has come a long way in the past ten years. It is now as much the fountainhead of ideas as socialism was in the 1950s, 60s and early 70s. It is enjoying a triumph.

These considerations place appeals to Menzies' authority by Liberal Party factions in a reactionary light. Like Locke, Smith and Mill, Menzies was a creature of his time. By the standards of his own times, he was mostly 'dry'. He opposed middle class welfare while the rest of the world opened their treasuries to the greedy; he balanced his government's books while Britain and several others sold their countries' futures. Compared with others, he inflated his currency very little. Judged by the practices of the fifties and sixties, he avoided using taxes to subsidise so called merit goods such as opera. His one very 'damp' area was industry and labour market policy, where he left us a legacy of uncompetitive, over-regulated industry. His social policy was more often conservative than liberal. For instance, he practised film and book censorship and spoke of using the coercive power of the state to benefit the disadvantaged in ways that have since failed. His record is fascinating and a very great credit to his memory, but it is not a prescription for policy now.

The importance of Menzies, Locke and Co. for current problems is not their prescriptions. Rather, it is the expectation that their insights and actions, filtered through intervening experience, will enable us to think more effectively about our own problems. For instance, just thinking about the passage of ideas and conventional government from elitism through social egalitarianism to today's democratic rip-off (whereby the poor and the rich are penalised to benefit the middle class, and interest groups dominate the legislatures), forces one to question the ability of government to engineer society. Events speak more loudly on the matter than Locke or Menzies.

Is the liberalising of economies, forced on governments by the political necessity to maintain living standards, enough? Chile has a reasonably liberal economy and better economic performance than is usual in Latin America, but it remains an ugly place to live. Australians have recently been given access to a more liberal financial system, but they have lost health care freedom and their medical and financial histories are to be recorded in a centralised databank. Of course no decent government would ever misuse that information, but what binds the law maker? What guarantees do we have of decent government? Might not the men who have already denied natural justice to several doctors in their attempts to stamp out medi-fraud, one day abuse the ID card data?

Is the liberal debate being conducted too much in terms of economic freedom, important as that is, to the exclusion of debate about fundamental personal rights? The rule of law did not feature prominently in the debate about media ownership. Are those who bought and sold newspapers and TV stations to

have their actions overturned after the event? If so, what compensation are they to receive? At the other end of the spectrum, labourers are illegally denied their personal rights to accept employment by union bullies, and legally denied their right to accept work by industrial tribunals. Do people have a right to dispose of their own labour? If not absolutely, what are the proper bounds to that right?

The outburst by the ACTU, threatening the government and employer bodies that they had better take the ACTU document, 'Australia Reconstructed', seriously, is a reminder (if one is needed) that democratic governments do not entirely govern this country. Is the traditional liberal preference for equality under the law and democratic law-making still relevant?

Finally, is it possible to 'prefer individual action to collective action' while thinking in terms of collectives--- society, the union movement, employers etc.---and prescribing needlessly and in detail for them, as though these were homogeneous wholes? Collectives are dominating the political and industrial relations debate. Is consensus among those who claim to speak for others the way towards a liberal society?

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